FIFTEENTH

ANNUAL REPORT

1988

(Fiscal Year ended June 30th)

Saskatchewan Law Foundation Regina, SASK.

89-03939/

THE LAW FOUNDATION

REPORT OF THE LAW FOUNDATION OF SASKATCHEWAN TO THE HONOURABLE MINISTER OF JUSTICE OF SASKATCHEWAN PURSUANT TO SECTION 50 OF THE LEGAL PROFESSIONAL ACT R.S.S. 1978 AND AMENDMENTS THERETO FOR THE FISCAL YEAR ENDING 30TH JUNE 1988

I am pleased to file with you the attached Financial Statements of the Law Foundation for the fiscal year ending June 30th, 1988 as audited by Deloitte Haskins & Sells, Chartered Accountants, being the firm appointed for that purpose by the Benchers of the Law Society of Saskatchewan pursuant to Section 47(7) of the Legal Professional Act and also to provide you with our 15th annual report on behalf of the Board of the Law Foundation on the activities of the Foundation for the year.

Our interest income from mixed trust accounts in 1988 of $1,414,000 was slightly less than 1987 of $1,492,000; the decrease was due to the lower prime rate during the year which was triggered by Black Monday — 19 October 1987, and also decreased economic activity in Saskatchewan due to the decline in the Agriculture and Resource Industries. Our funding bodies are experiencing a decline in funding and, as a result, are looking to other sources such as the Law Foundation for additional support.

At our August 1986 planning session, we decided we must protect our major projects for which we provide core-funding and as future safeguard, increased our reserve account to $1,250,000. The reserve account was increased in 1987 and 1988 to $1,625,000 which exceeds our total annual grants but approximates our total annual income. We feel it is essential for the Foundation to maintain a substanial reserve for 3 main reasons.

1. We are at the mercy of interest rates — if these rates should fall by any significant amount, we will see a drastic reduction in our income.

2. With the computer capabilities now in the possession of the banks, we will see more and more trust monies placed in individual accounts from which the client will benefit from interest earnings, rather than being placed in a mixed trust account, from which the client will receive no interest benefit. This matter was discussed at length at the Montreal meeting in August of the Canadian Law Foundations and is of concern to all of the Foundations.

3. Either of the above occurrences will result in a sharp decline in our income, and in the absence of a reserve, the major projects must be substantially curtailed in their activities, or seek government grants as the only logical alternative. Three years ago, when our income fell as interest rates reduced, we encroached on the reserve in order to maintain the major projects at a reasonable operating level.

The Foundation has the following projects which we consider on-going (the first 5 being our "major projects") and in the last fiscal year, grants to these projects were:

Court House Libraries	$ 515,000
Public Legal Education Association	290,000
College of Law Endowment Fund	100,000
Continuing Legal Education	100,000
Law Reform Commission	205,000
Canadian Law Information Council	16,500
Saskatoon Sexual Assault Centre	6,000
Canadian Bar Review	5,000
Saskatchewan Elocution & Debate	6,600
	$1,244,100

The Foundation paid out $1,282,354 and authorized $1,362,606 (Note "2") in grants for the year. Grants authorized and unpaid at the end of the year totalled $820,951 (Schedule "2"). The reserve account was increased to $1,625,000 (see above) and the unallocated revenue balance was $10,415. The administration costs of the Foundation during the past year was 5.3% of gross income. The day to day operations of the Foundation are handled by the Secretary, Mr. H. Robert Arscott, F.C.A. of the firm Arscott & Partners, C.A.'s Regina, on a fee for service basis.

The Board met for day-long meetings four times during the year, at the same time four members attended the August 1988 Montreal meeting of the Law Foundations of Canada where there was much discussion about projects of a national nature. We again emphasized the importance of the Native Law Centre at the University of Saskatchewan and appealed for continued support to this worthy project from the other Foundations. The meeting was attended by representatives of all twelve provincial Law Foundations and observers from I.O.L.T.A. of the U.S.A. As well, we had representatives at the August meeting in Toronto of the American Bar Association who also attended meetings of the American Law Foundations. They reported that the thrust of the American Foundations is fundamentally different to the Canadian and not as unified. We shall continue to monitor the American activities.

In July Dean Dan Ish resigned from the Foundation; the Benchers of The Law Society have replaced him with Dean of Law, Peter MacKinnon.

The members of the Foundation believe they have conscientiously performed their duties and responsibilities in administering the Foundation's funds to best serve the people of the Province and they have and will continue to closely monitor future grant requests.

There is attached a list of persons who are presently members of the Foundation

ALL OF WHICH IS RESPECTFULLY SUBMITTED

Dated at the City of Regina, in the Province of Saskatchewan, this 1st November, A.D. 1988.

Donald K. MacPherson, Q.C.

Chairman

LAW FOUNDATION MEMBERS

Donald K. MacPherson, Q.C. Regina, Saskatchewan	Appointed by the Law Society of Saskatchewan
J. Gordon Wicijowski, F.C.A. Regina, Saskatchewan	Appointed by the Minister of Justice
Donald S. McKercher, Q.C. Saskatoon, Saskatchewan	Appointed by the Law Society of Saskatchewan
H.H. Dahlem, Q.C. Saskatoon, Saskatchewan	Appointed by the Minister of Justice
Mr. Dennis Ball, Q.C. Regina, Saskatchewan	Appointed by the Law Society of Saskatchewan
Dean Peter MacKinnon Saskatoon, Saskatchewan	Appointed by the Law Society of Saskatchewan
Brian Barrington-Foote Regina, Saskatchewan	Appointed by the Minister of Justice

Deloitte
Haskins+Sells

Chartered Accountants

600 Royal Bank Building
2010 - 11th Avenue
Regina, Saskatchewan S4P 0J3

AUDITORS' REPORT

To the Members of the
Law Foundation:

We have examined the balance sheet of the Law Foundation as at June 30, 1988 and the statement of revenue, expenditures, grants and unallocated revenue for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Foundation as at June 30, 1988 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells

Chartered Accountants

October 21, 1988

LAW FOUNDATION

(Established Under the Legal Profession Act of Saskatchewan)

BALANCE SHEET

JUNE 30, 1988

	1988	1987
ASSETS		
Cash and term deposits	$ 536,864	$ 223,695
Interest receivable from solicitors' trust accounts	116,267	125,746
Investments (par value)	1,729,000	1,775,000
Accrued interest on investments	75,639	76,737
Sundry receivable	3,738	-
	$2,461,508	$2,201,178
LIABILITIES		
Sundry payables	$ 5,142	$ 2,474
Grants payable (Notes 2 and 3) - Schedule 1	820,951	742,064
Reserve account (Note 1)	1,625,000	1,400,000
Unallocated revenue	10,415	56,640
	$2,461,508	$2,201,178

On behalf of ~~the~~ Foundation

Chairman

Treasurer

See Accompanying Notes to the Financial Statements

LAW FOUNDATION

STATEMENT OF REVENUE, EXPENDITURES, GRANTS AND UNALLOCATED REVENUE

YEAR ENDED JUNE 30, 1988

		1988		1987
REVENUE				
Interest from lawyers' mixed trust accounts		$1,414,653		$1,491,732
Interest earned on investments		192,022		185,482
Project and sundry revenue		14,555		6,919
		1,621,230		1,684,133
EXPENDITURES				
Administrative				
Foundation members - office overhead	$ 8,750		$ 7,470	
- other	7,063		7,345	
Office, postage, stationery, telephone	9,199		9,148	
Office of the Secretary	53,649		55,630	
Professional fees	7,820	86,481	7,210	86,803
EXCESS OF REVENUE OVER EXPENDITURES		1,534,749		1,597,330
GRANTS AUTHORIZED IN THE YEAR (Notes 2 and 3) - Schedule 2		1,362,606		1,431,296
EXCESS OF REVENUE OVER EXPENDITURES AND GRANTS FOR THE YEAR		172,143		166,034
UNALLOCATED REVENUE BEGINNING OF YEAR		56,640		37,224
		228,783		203,258
ADD (DEDUCT)				
Grants not used and recovered		6,632		3,382
Allocation to reserve account		(225,000)		(150,000)
UNALLOCATED REVENUE END OF YEAR		$ 10,415		$ 56,640

See Accompanying Notes to the Financial Statements

LAW FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1988

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with generally accepted accounting principles, and reflect the following policies:

Interest

A significant portion of the revenue of the Foundation is interest on trust accounts of the members of the Law Society of Saskatchewan. The Foundation records such interest as revenue on the accrual basis.

Reserve account

The members of the Foundation passed a motion at their meeting of March 1981 to create a reserve account from unallocated revenue in such amounts as may be determined from time to time. The reserve account is a provision against any revenue reduction in the future as protection for continuing grants.

2. GRANTS PAYABLE

	1988	1987
Grants payable, beginning of year	$ 742,064	$ 729,322
Add: Grants authorized - Schedule 2	1,362,606	1,431,296
	2,104,670	2,160,618
Deduct: Grants paid	1,282,354	1,415,172
Grants not used	1,365	3,382
Grants payable, end of year - Schedule 1	$ 820,951	$ 742,064

3. FUTURE COMMITMENTS

Future commitments of $66,750 have been made in grants authorized and payable after June 30, 1988, up to 1990, which will depend on the availability of funds in the future.

SCHEDULE 1

LAW FOUNDATION

SCHEDULE OF GRANTS PAYABLE

JUNE 30, 1988

Law Libraries - 1988	$ 240,000
College of Law - Library Endowment Fund	175,123
College of Law - Endowment Fund	100,000
Public Legal Education	72,500
Index of Saskatchewan Statutes - D. MacEllven	55,000
Continuing Legal Education	48,000
Law Reform Commission	45,000
Court of Appeal Rules Revision	44,467
Native Law Centre	25,000
Human Justice - Mental Health Act	10,861
Canadian Institute of Resource Law	5,000
	$ 820,951

SCHEDULE 2

SCHEDULE OF GRANTS AUTHORIZED

YEAR ENDED JUNE 30, 1988

Law Libraries	$ 515,000
Public Legal Education	290,000
Law Reform Commission	205,000
Continuing Legal Education	100,000
College of Law - Endowment Fund	100,000
Index of Saskatchewan Statutes - E. MacEllven	55,000
Native Law Centre	25,000
Canadian Law Information Council	16,500
Law Society - Referral Service	12,500
Human Justice - Mental Health Act	10,861
College of Law - Survey of Women Graduates	7,500
Saskatchewan Elocution & Debate Association & 88 Grant	6,600
Saskatoon Sexual Assault Centre	6,000
Canadian Bar Review	5,000
Canadian Institute of Resource Law	5,000
Western Judicial Centre	2,000
Queen's Bench Rules Index	645
	$1,362,606